Government activities and for some time to come, all expenditure connected with medical aid in rural parts, sanitation, veterinary, etc., should be met by local bodies entirely from local resources. But as the Local Self-Government has not been fully developed, the local bodies and the Government should join together in conducting these activities. There must be co-operation, and friendly interchange of ideas and authority. The cost of some activities must be met wholly from State funds, and some wholly from local funds, some partly from the State funds and partly from the local funds. That is the existing order. From the days of the Commission, many orders have been issued defining the relations existing between the Government and the local bodies. Local Self-Government has not yet been developed fully. We are now passing through a transition stage. There is a great demand for school buildings, and money has to be found for them from the accumulated balances of the Local Fund General which was not being utilised by the District Boards. Government have given money for education in the past and will give money in the future also. If you raise any objections on technical grounds, I am prepared to give you back the money but I shall then cut down expenditure in other directions in the districts. I want that Local Self-Government should be developed properly with the fullest sense of responsibility. Things are now in a state of flux. Certain Local Self-Government expenses have to be met by Government and certain expenses have to be shared by Government. All these matters will be fully gone into by Mr. Thyagaraja Iyer and the question of Local Finance will be definitely settled and clear rules laid down for adoption and there will be no confusion afterwards. But till matters are definitely settled, there is no use of standing on dignity. We will give you all the *gaurava* that you want.

SUBJECT No. 198.

The Representative Assembly and Constitutional Reforms.

Messrs. (1) H. Krishna Sastri, Krishnarajpete Taluk; C. Vasudeva Rao, Chikmagalur Taluk; Hoskoppa Krishna Rao, Koppa Taluk; Gangappa, Nagamangala Taluk and P. Venkappiah, Shimoga Taluk;

(2) S. Thontarya, Devanhalli Taluk, B. Ananthalakshminaranappa, Tumkur Taluk; B. Narasimiah, Sira Taluk; D. S. Mallappa, Tiptur Taluk; N. Siddalingadevaru, Seringapatam Taluk;

(3) H. Krishna Sastri, Krishnarajpete Taluk.

Summary of Representation.—(1) It is requested that the number of members of the Representative Assembly should remain as at present as every one of the Associations that presented addresses to the Dewan has prayed that their present privilege should be continued.

(2) In introducing the reforms under contemplation, the present House may be constituted as the first Assembly under the Reforms, the first elections being held only after the term of the present members has expired.

(3) All the proceedings of the Assembly should be conducted in Kannada. The Dewan's Address also should be in Kannada.

Dewan.—It is not appropriate to discuss parts (1) and (2) of the subject when His Highness' orders on the constitutional changes in the State are going to be announced soon. Part (3) of the subject will be placed before the next assembly.

SUBJECT No. 199.

Measures for Malnad improvement.

Messrs. H. Krishna Rao, Koppa Taluk and H. Krishna Sastry, Krishnarajpete Taluk.

Mr. Hoskoppa Krishna Rao.—The Malnad is in a very deteriorating condition and this question has been engaging the attention of Government for the past so many years. There should be no further delay in taking effective measures to improve the present condition of these tracts. The following chief points may be considered by Government. There are many educated people in the malnad. The people of these parts are economically very poor. They may be shown greater facilities and encouragement in the matter of recruitment to public service. Special concessions should be shown to them.

In the matter of the formation of a Land Mortgage Bank, there was hot discussion on several occasions in this Assembly. In Madras, they have already formed a bank and I belive the Government are aware of this step taken by them. Our Government should similarly start a bank at once on the lines adopted by them. Defects may be remedied gradually at the time of the working of the concern. This may be started on the co-operative basis and inducement should be given to the public to become members and subscribe for the shares. It may be started with a capital of at least 4 or 5 lakhs of rupees. One-eighth of the capital may be reserved as the share capital, some portion may be subscribed by the Government, and the balance by a debenture loan. It is not possible for the people of the malnad to subscribe half the capital. It is therefore desirable that Government should at once prepare a scheme in the initial stage and work it out. This subject was also raised before the Co-operative Committee and the available literature connected with this subject was placed before them. I do not know what has become of the Committee's report and it would be better if the report is published for the information of the public.

As regards the organization of a labour recruiting agency, this question of labour in the malnad is a very complicated problem. I have made enquiries in these tracts and the people of Koppa and Shimoga have promised to help in this matter. I do not know why Government orders in this matter are held in abeyance.

Communications in the malnad require to be much improved. Unless this is done, the country will not prosper and the economic condition will not be solved.

Mr. C. Rasool Khan.—Formation of a Land Mortgage Bank is absolutely necessary.

Deputy Commissioners, Assistant Commissioners and other Gazetted Officers are transferred at short intervals. This system is not desirable and does not bring any substantial benefit either to the people of the malnad or to the Government. This therefore should be avoided.

Dewan.—A scheme for the improvement of the malnad in all its details is under preparation. I hope to announce shortly the policy of His Highness' Government in regard to this question.